

PURCHASE ORDER TERMS AND CONDITIONS

Acceptance of the offer contained in the purchase order is hereby expressly limited to the terms and conditions stated herein.

1. To the extent these Purchase Order Terms and Conditions the term "articles" means the supplies or services ordered.

(b) The articles shall be shipped and delivered on or before the respective dates set forth in this order, and in the state of the essence. Buyer's caunt will be accepted as conclusive on all shipments not accompanied by a packing slip.

2. Buyers order number must appear on all invoices, boxes, packages, shipping documents and correspondence. Invoices must be rendered in duplicate and express bill of lading showing full routing, car numbers, etc., be mailed at the time of shipment.

3. The price of the articles include all Federal, state and local taxes from which Seller cannot obtain exemption. The amounts of tax such as may be shown separately on Seller's invoice.

4. No charges will be allowed for transportation, boxing, crating, or other packaging unless set forth in this order.

5. Payment shall be made on the 10th of the following month after receipt of the articles, unless otherwise specifically arranged for and stated on this order. Buyer may deduct a 2% discount from the price at the time of all payments mailed on or before said 10th day.

6. No variations in delivery schedule, price, quantity, specifications or other provisions of this order and no provisions additional thereto will be effective unless agreed to in writing and signed by Buyers authorized representative for purchasing.

7. Buyer shall have the right, by giving written notice to Seller, to make changes in the drawings, designs or specifications for the articles or the method of shipment or packing or the place of inspection, delivery or acceptance. Upon receipt of any such notice, Seller shall proceed promptly to make such changes in accordance with the terms of such notice. Seller shall deliver to Buyer, within fifteen (15) days, a statement showing the effect of any such change in the cost of, or the time required for, performance of his order and an equitable adjustment shall be made in the contract price or delivery schedule, or both.

8. Seller expressly warrants that all articles, materials, parts and work covered by this order will conform to the specifications, drawings, samples or other description furnished or adopted by Buyer, and will be merchantable, of good workmanship and material and free from defect, and that services rendered hereunder will conform to high professional standards in the field. Such warranties shall survive inspection, test and acceptance.

9. The articles and all parts, material and workmanship entering into the performance of this order shall be subject to inspection, test and count by Buyer at all times and places whether during or after manufacture, if any of the articles shall be defective in material or workmanship or otherwise not in conformance with the requirements of this order, Buyer, in addition to its other rights, may reject the same for full credit, or require prompt correction or replacement thereof at Seller's expense, including transportation charges.

10. Seller assumes all risks of loss or damage (i) to all articles, work in process, materials and other things and to third persons and their property, until the delivery of all the articles as herein provided; (ii) to any property received by Seller from, or held by Seller or its supplier for the account of, Buyer; and (iii) to any articles rejected by Buyer or as to which Buyer has revoked its acceptance, from the time of such rejection or revocation.

11. Any expenditure, order, subcontract or commitment in excess of \$2500 made by Seller in furtherance of the performance of this order shall be subject to the prior written approval of Buyer.

12. No right or obligation under this order (including the right to receive money's due and to become due hereunder) shall be assigned by Seller without the prior or subsequent written consent of Buyer.

13. Buyer may, by written notice to Seller, terminate the whole or any part of this order if (i) Seller fails to make any delivery within the time specified, or (ii) Seller fails to perform any other provision of this order, or (iii) Seller becomes insolvent or the subject of proceedings under any law relating to bankruptcy or the relief of debtors. Upon such termination Seller shall, at the option of Buyer, transfer title and deliver to Buyer, in the manner and to the extent requested by Buyer at or after termination, such completed and partially completed articles as Seller has produced or acquired for the performance of the terminated part of this order. Buyer shall have no obligation to Seller in respect of the terminated part of this order except that Buyer will pay to Seller, for the articles so requested and delivered, the contract price for completed articles accepted by Buyer and the fair value of partially completed articles accepted by Buyer; provided, however, that in no event will the amount payable by Buyer for any partially completed articles exceed the contract price for the articles for which the partially completed articles have been produced or procured multiplied by the percentage of completion of such articles that is represented by such partially completed articles. After such termination, Buyer may procure, upon such terms and in such manner as Buyer may deem appropriate, articles similar to the articles so terminated and as to any such articles, Seller shall be liable for any excess costs to Buyer. To the extent not terminated, Seller shall continue performance of this order. Buyer's rights as set forth in this clause shall in no way limit any other rights of Buyer under this order.

14. Work under this order may be terminated in whole or from time to time in part by Buyer in accordance with the Subcontract Termination Clause set forth in paragraph 8-705 of the U.S. Armed Services Procurement Regulation as in effect on the date of this order, which Clause is incorporated herein by reference. If this order is a subcontract under any prime contract with the Government, any payment made to Seller on account of any termination shall, at Buyer's option, be subject to the prior written approval of the Contracting Officer for such prime contract.

15. Seller shall save Buyer harmless from liability or suit of any nature, including costs and expenses, arising from the manufacture, use or sale of any invention in the articles.

16. All property and information furnished by Buyer shall be confidential, shall remain Buyer's property, shall be used only in the performance of this order, and together with copies thereof, shall be delivered to Buyer or destroyed by Seller, as Buyer specifies.

17. Whichever day judicial or potential labor dispute is delaying or threatens to delay the timely performance of his order, Seller shall immediately give notice thereof, including all relevant information with respect thereto, to Buyer.

18. Seller shall not without Buyer's prior written consent (i) disclose any information concerning this order or the articles to any person to whom such information is not necessary in connection with the performance of this order, or (ii) release any publicity or advertising concerning this order or the articles, except that, if the articles are of Seller's standard manufacture, this clause shall not apply to any publicity, advertising or information concerning the articles only.

19. Seller warrants that the articles will be produced in compliance with the Fair Labor Standards Act of 1938, as amended.

20. This purchase order, as the same may be amended or modified in writing, and any documents referred to herein supersede all prior understandings, transactions and communications, or writings with respect to the matters referred to herein. Buyer's failure to object to provisions contained in any communication from Seller shall not be deemed an acceptance of such provisions or a waiver of the provisions of this order. No delay or failure on the part of Buyer in exercising any rights under this order and no partial or single exercise thereof, shall constitute a waiver of such rights, or of any other rights hereunder.

21. This order and the performances of the parties hereunder shall be construed in accordance with and governed by the law of the state shown in Buyer's address in the heading of this order.

22. Seller agrees to comply with all local, state and federal laws, codes, rules, regulations, ar- blications and standards applicable to safety and health, including, but not limited to, compliance with the Federal Occupational Safety and Health Act as it exists at the time of this order and to modify any item purchased hereunder to comply therewith. Seller agrees to hold Buyer harmless from any penalties assessed or imposed by reason of Seller's breach of this covenant.

23. Seller agrees to comply with executive orders 11246, 11598, and 11458 and all applicable rules and regulations promulgated thereunder.